



## GAS TAX RATE NOTICE

**TO:** North Dakota Gas Producers and Purchasers  
**FROM:** Office of State Tax Commissioner  
**SUBJECT:** Notification of Gas Tax Rate for Fiscal Year 2018  
**DATE:** June 1, 2017

In keeping with the provisions of North Dakota Century Code § 57-51-02.2, the Tax Commissioner has determined that the gas tax rate for the fiscal year beginning July 1, 2017, through June 30, 2018, is \$.0555 per mcf. The gross production tax on gas produced during this time period must be calculated by taking the taxable production in mcf times the \$.0555 tax rate.

For your information, the gas tax rate for fiscal year 2018 was determined by the following steps:

STEP 1 - The annual average of the gas fuels producer price index, commodity code 05-3, as published by the U.S. Department of Labor, Bureau of Labor Statistics, for calendar year 2016 was computed from the data shown below.

January	96.5
February	89.0
March	74.0
April	79.7
May	86.5
June	93.5
July	119.8
August	112.5
September	120.3
October	125.9
November	116.1
December	<u>145.8</u>
Annual Average	105.0

STEP 2 - A gas base rate adjustment of 1.3871 was computed by dividing the annual average price index by the denominator specified in the statute, i.e., 105.0 divided by 75.7.

STEP 3 - The gas tax rate of \$.0555 was computed by multiplying \$.04 times the gas base rate adjustment of 1.3871, with the resultant rounded to four places after the decimal.

The gas tax rate is also published on the Office of State Tax Commissioner's website located at: [www.nd.gov/tax](http://www.nd.gov/tax). If you have any questions regarding this notification, please contact the Oil and Gas Tax Section at 701-328-3657 or by email at [oiltax@nd.gov](mailto:oiltax@nd.gov).